

CITY OF CORVALLIS
SUSTAINABLE BUDGET TASK FORCE ACTION MINUTES
August 24, 2016

The City of Corvallis Sustainable Budget Task Force meeting was called to order at 8:07 AM, August 24, 2016, in the City Manager's Meeting Room in City Hall, Corvallis, Oregon, with Chair Hal Brauner presiding.

ROLL CALL:

Members Present: Hal Brauner, Barbara Bull, Karyle Butcher (8:10), Joel Hirsch (8:15), Mark O'Brien, Curtis Wright

Staff Present: Nancy Brewer, Mark Shepard, Patrick Rollens

Others: Jim Day, Bill Glassmire, Patrick Magee, Bob Baird

SUMMARY OF DISCUSSION:

Agenda Item	Actions/Recommendations
Approve minutes from, August 3, 2016	Minutes were approved unanimously.

Agenda Item	Actions/Recommendations
Strategic Plan for Revenue Alternatives	<p>Finance Director Brewer summarized the staff report that posed a series of questions for the SBTF members to consider in developing a strategic plan. Chair Brauner stated he has facilitated the meetings, but felt that if he identified his responses to the questions it might give the SBTF a beginning framework to refine.</p> <p>Mr. Brauner stated that if the SBTF recommends no new revenues, but instead recommends living within means, and the Council accepts that recommendation, it removes the community's ability to have a say. Presenting a revenue source gives community members a chance to express an opinion. As a result, his framework begins with the assumption that the SBTF needs to recommend a new revenue source ranging between \$4 million, which replaces the levy, and \$13 million which would be a best practices level of service. The SBTF needs to survey the community to find out about priorities to help set a revenue target. Mr. Brauner also said that a \$1.00 local option levy would raise close to \$5 million; other revenue sources that come close to that level include a local income tax or a local sales tax and that these three revenue sources would be appropriate for General Fund services.</p> <p>Mr. Brauner went on to say that some other services in need of funding could be addressed sooner, including a more immediate increase in the Transportation Maintenance Fee to address street maintenance issues, and increases in utility rates to address aging infrastructure replacement issues.</p>

Agenda Item	Actions/Recommendations
	<p>Members of the SBTF discussed the framework suggestions and how the issue of revenue increases combines with service level discussions. They raised concerns about whether the new Vision and Action Plan will change the services the City provides or add things that need funding. Though other entities in the community are expected to help achieve the Vision, there was general agreement that others don't have resources to take on more. Mr. Brauner stated the survey would be a chance to ask the community if they wanted to keep current services or grow the services. Mr. Hirsch stated a referral to voters would not be a raise in taxes, it would be asking the community if it wants to raise taxes to address services. Mr. Wright stated no additional revenue, including not replacing the current levy, would mean a cut in existing services. Mr. O'Brien stated voters will need to know whether they can afford the tax and what it will buy in services.</p> <p>The SBTF members agreed to discuss the Strategic Plan further along with shaping the message more at the September 14 SBTF meeting. At the September 28 meeting the SBTF will discuss making a recommendation to the City Council about utility fees and street funding.</p>

Agenda Item	Actions/Recommendations
Community Comments	<p>Bob Baird stated he is the owner of the Book Bin in downtown Corvallis. He stated that, of the alternatives the SBTF has been examining, he supported the marijuana tax and the regional gas tax as the only two viable alternatives. He stated a local sales tax would be a loss as consumers would go to Albany. The income tax would be a problem if assessed against people who work in Corvallis but don't live here since it would be taxation without representation. Businesses don't want a local business license fee. He stated small businesses have been hit hard with other levels of governments mandating a new higher minimum wage, sick leave, and the pending federal change in the salary level at which overtime will apply. As a result, profit margins are down. He stated the City has no bureaucracy to implement a local sales or income tax. Mr. Baird also asked whether the City has ever asked Good Samaritan and OSU to contribute resources. Finally, he stated that people keep seeing new construction and believe the City will grow its way out of the financial problems, but he now understands that will not occur.</p> <p>Bill Glassmire stated the SBTF needs to hear from other constituencies. People who live on a fixed income may have concerns about tax increases.</p>

The Task Force adjourned at 9:37 AM.

An audio recording of the entire meeting can be listened to at:

<http://archive.corvallisoregon.gov/o/doc/803409/Page1.aspx>